

## Message Text

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ACTION OES-07

INFO OCT-01 ARA-14 EB-08 ISO-00 DLOS-09 L-03 CIAE-00  
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USDOC WASHDC  
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UNCLAS GUAYAQUIL 0323

MEXICO FOR RFO

USDOC FOR NMFS

EO 11652: N/A  
TAGS: EFIS, EC  
SUBJ: VISIT OF EX. DIR. NATIONAL SHRIMP CONGRESS, MR. WILLIAM N. UTZ

REF: STATE 034389

1. SUMMARY: MR. WILLIAM UTZ OF THE WASHINGTON LAW FIRM OF STEELE AND UTZ, AND WASHINGTON REP OF THE NATIONAL SHRIMP CONGRESS, ARRIVED IN GUAYAQUIL AS SCHEDULED IN REFTEL. HE HELD EXPLORATORY DISCUSSIONS ON THE POSSIBILITIES OF U.S. SHRIMP BOATS (TEXAS) COMING TO ECUADOR TO FISH UNDER ASSOCIATION AGREEMENTS OR TO PARTICIPATE IN MIXED CAPITAL COMPANIES. HE TALKED WITH THE DIRECTOR GENERAL OF FISHERIES, THE DIRECTOR OF THE NATIONAL FISHERIES INSTITUTE, A STATE OWNED SEA RESOURCES RESEARCH ORGANIZATION AND MR. HARRY GRAHAM, PRESIDENT OF THE ECUADOREAN FISHING BOAT OWNERS ASSOCIATION.

END SUMMARY.

2. MR. UTZ HAS CONCLUDED WHAT CONSULATE GENERAL BELIEVES TO HAVE UNCLASSIFIED

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BEEN FOR HIM AN INFORMATIVE AND INTERESTING THREE DAY VISIT TO ECUADOR. IT MAY POSSIBLY PRODUCE THE RESULTS DESIRED BY MR. UTZ, NAMELY THE EMPLOYMENT OF UNDERTUTILIZED U.S. SHRIMP BOATS OUTSIDE OF THE U.S. 200 MILE ECONOMIC ZONE.

3. MR. UTZ'S FIRST VISIT WAS WITH RETIRED NAVAL CAPTAIN WILSON ARROYO BOADA, DIRECTOR GENERAL OF FISHERIES, ECUADORS CONTROLLING

AGENCY FOR ALL FISHERIES, MARINE AND TERRESTIAL. CAPT. ARROYO LISTENED WITH GREAT INTEREST TO MR. UTZ'S EXPLANATION THAT U.S. SHRIMP BOATS ARE INTERESTED IN EXPLOITING THE DEEP WATER SHRIMP RESOURCE, I.E. BEYOND THE 200 FATHOM LINE. ECUADOR'S FISHING CAPABILITY AT THE MOMENT IS LIMITED TO A DEPTH OF APPROX 300 METERS. CURRENT ECUADOREAN LAW, ACCORDING TO ARROYO, REQUIRES (1) SHRIMP BOATS TO BE MANUFACTURED IN ECUADOR AND (2) OWNED AND REGISTERED IN ECUADOR. NORMAL MARINE FISHING OPERATIONS PERMIT ASSOCIATION AGREEMENTS BUT NOT FOR SHRIMPING OPERATIONS. LOCAL LAW ALSO LIMITS THE NUMBER OF VESSELS WHICH MAY ENGAGE IN SHRIMP FISHING OPERATIONS, AND THIS LIMIT HAS BEEN REACHED; THUS NO NEW BOATS MAY BE AUTHORIZED.

4. INASMUCH AS ECUADOREAN BOATS DO NOT GO AFTER WHAT IS BELIEVED TO BE A VALUABLE, EXPLOITABLE RESOURCE, CAPT. ARROYO EXPRESSED INTEREST IN THE POSSIBILITY OF THESE 72 FLOOT, STEEL HULL VESSELS BELONGING TO U.S. COMPANIES COMING TO ECUADOR TO START AN EXPANDED SHRIMP FISHING OPERATION. HE REQUESTED MR. UTZ TO SEND TO HIM IN WRITING (SPANISH AND ENGLISH) VIA THE CONSULATE GENERAL HIS PROPOSAL FOR MIXED CAPITAL AND ASSOCIATION AGREEMENT OPERATIONS.

CAPTAIN ARROYO SAID THAT HE WOULD THEN TAKE THE PROPOSAL TO THE UNDERSECRETARY FOR FISHERIES WITH A VIEW TO A POSSIBLE CHANGE IN THE FISHERIES DEVELOPMENT LAW WHICH WOULD PERMIT THIS NEW TYPE OF SHRIMP EXPLOITATION USING FOREIGN FLAG VESSELS.

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5. A SUBSEQUENT VISIT TO DR. RAUL YCAZA, DIRECTOR OF THE NATIONAL FISHERIES INSTITUTE WAS MUCH MORE INTERESTING AS FAR AS ACTUAL ASSOCIATION AGREEMENTS ARE CONCERNED. DR. YCAZA IS DEFINITELY INTERESTED IN HAVING AS MANY AS THREE VESSELS ENTER INTO AN ASSOCIATION AGREEMENT WITH THE INSTITUTE FOR THE PURPOSE OF INVESTIGATIONS INTO THE DEEP WATER SHRIMP AVAILABILITY. SINCE SUCH RESEARCH WOULD TAKE A LONG TIME ANY VESSELS SO EMPLOYED WOULD COMMERCIALIZE THE RESULTING CATCH, THUS GIVING INCOME ALSO TO THE INSTITUTE AS WELL AS THE VESSEL. SUCH A VESSEL WOULD BE FREE OF TAXES ON INCOME AND WOULD NOT BE BOUND BY ANY NORMS (MENTIONED ABOVE) ESTABLISHED BY THE FISHERIES DEVELOPMENT LAW BECAUSE OF THE SPECIAL JURIDICAL STATUS OF THE INSTITUTE. THE VESSEL WOULD, OF COURSE, BE EXPECTED TO KEEP RECORDS AND ENGAGE IN OPERATIONS RELATED TO TERRESTIAL SHRIMP FARMING ALSO. SUCH VESSELS MIGHT ALSO HAVE A PREFERENCE AND STILL ENJOY CERTAIN PRIVILEGES GAINED UNDER THE ASSOCIATION WITH THE INSTITUTE WHEN TRANSFERRING FOR EXAMPLE TO THE PRIVATE SECTOR. IF ANY U.S. VESSEL OWNERS ARE INTERESTED IT WOULD PROBABLY BE NECESSARY TO COME TO ECUADOR TO WORK OUT AN ARRANGEMENT.

6. MR. HARRY GRAHAM, PRESIDENT AND ORGANIZER OF THE ECUADOREAN FISHING BOAT OWNERS ASSOCIATION AND GENERAL MANAGER OF EMPACADORA

NACIONAL (U.S. CAPITAL-INTERNATIONAL PROTEIN CORP.) WAS VERY FORTHCOMING WITH MR. UTZ AND DISCUSSED IN GENERAL TERMS CERTAIN OPERATIONAL PROBLEMS AND ALSO VERIFIED ALL THE POINTS OF LAW MENTIONED ABOVE BY ARROYO AND YCAZA. MR. GRAHAM SAID THAT IF FOREIGN BOATS WERE PERMITTED TO COME INTO ECUADOR FOR SHRIMPING, HIS ASSOCIATION WOULD HAVE TO PROTEST IN SPITE OF THE FACT NO ECUADOREAN VESSELS NORMALLY FISH BEYOND 200 TO 300 METER DEPTH. HE ADDED THE PRINCIPAL FEAR IS NOT OF U.S. BOATS BUT SPANISH BOATS WHOSE SKIPPERS ARE EXPERTS AT VIOLATING LAWS AND TERMS OF AGREEMENTS.

7. MR. GRAHAM ALSO TOLD MR. UTZ OF SHRIMPING POSSIBILITIES ALONG COLOMBIA, PANAMA, AUSTRALIA AND THE AFRICAN COAST, ESPECIALLY CABINDA, ANGOLA. HE UNDERSTANDS THE ANGOLAN UNCLASSIFIED

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GOVT. WANTS U.S. SHRIMPERS TO COME BACK TO THOSE WATERS.

8. THE CONSULATE GENERAL WAS PLEASED TO ASSIST MR. UTZ AND IF HE SPEAKS TO DEPT. OR NMFS PERSONNEL, HE SHOULD BE ADVISED TO KEEP CONSULATE GENERAL INFORMED AND THOUGH WE CANNOT ACT AS AGENT, WE WILL BE PLEASED TO PRESENT ANY PROPOSALS TO LOCAL GOVT. AGENCIES. BISHTON

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## Message Attributes

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